

Board Meeting  
September 9, 2011

ROLL CALL

APPROVE REQUESTS FOR NEW OPERATING AND CAPITAL  
APPROPRIATIONS, FISCAL YEAR 2013

**Action:** Approve FY 2013 Operating and Capital Budget Requests

**Funding:** Incremental State Operating and Capital Appropriations

Requests for incremental operating funds and for new capital appropriations for the University of Illinois for the fiscal year commencing July 1, 2012, are presented for action by the Board of Trustees. Following Board action, these requests will be submitted to the Illinois Board of Higher Education and State agencies for review. The accompanying tables summarize the major elements of each request, and the document, Fiscal Year 2013 Budget Request for Operating and Capital Funds, provides detailed descriptions of each program and project included in the request.

The Fiscal Year 2013 Operating Budget Request is outlined in Table 1. The University seeks \$83.1 million in new funds, an increase of 5.0 percent above the current year's budget. The FY 2013 request focuses primarily upon needs for salary competitiveness for faculty and staff. The FY 2013 request also continues prior efforts to secure facilities maintenance resources in the operating budget, as well as resources to meet critical operating cost increases. The request presents the most urgent funding needs confronting the University.

Table 2 identifies the ten projects in the FY 2013 Capital Budget Request in priority order. Together, these projects represent an investment of \$516.0 million, devoted to preserving and extending facilities already in place at the campuses and to critically important new initiatives. Remodeling and renovation projects comprise a large part of the total funds requested with the highest priority given to repair and renovation projects at the three campuses. The request clearly emphasizes the importance the University places on maintenance and upkeep of existing facilities, highlighting the need to adequately fund multiple aspects of the facility plant assets. Due to its unique characteristic, additional funding for the Healthy Returns-The Illinois Bill of Health proposals will continue to be pursued independently from this request.

The operating and capital requests summarized here reflect the University's highest priority budget needs, focusing on the University's mission of instruction, research, public service, and economic development. The priorities in both the operating and capital requests presented here are consistent with those in the preliminary requests presented to the Audit, Budget, Finance, and Facilities Committee in July 2011.

The University's operating and capital requests for FY 2013 have been prepared by the Vice President/Chief Financial Officer and Comptroller based upon advice from the University Policy Council.

The Vice President/Chief Financial Officer and Comptroller and the Vice President for Academic Affairs recommend approval.

The President of the University concurs.

**Table 1**  
**FY 2013 Operating Budget Request**  
**(Dollars in Thousands)**

<b>I. Strengthen Academic Quality</b>		<b>\$ 54,713.4</b>
<i>% of FY 2012 Base</i>		<i>3.3%</i>
A. Competitive Compensation		\$54,713.4
1. Salary Improvements - 3.0%	\$34,713.4	
2. Recruitment, Retention & Compression	20,000.0	
<b>II. Address Facility Operations Needs</b>		<b>\$ 25,174.5</b>
A. O & M New Areas		\$ 174.5
B. Facility Maintenance Support		20,000.0
C. Utility Maintenance Support		5,000.0
<b>III. Meet Inflationary and Other Cost Increases</b>		<b>\$ 3,166.0</b>
A. Payroll Cost Increases		\$ 1,500.0
1. Medicare	\$ 100.0	
2. Workers' Compensation	900.0	
3. Legal Liability/Insurance	500.0	
B. Library Price Increase - 7%		1,666.0
<b>Total Request</b>		<b>\$ 83,053.9</b>
<i>% of FY 2012 Base</i>		<i>5.0%</i>
<b>V. Healthy Returns—The Illinois Bill Of Health</b>		\$15,500.0
<b>VI. Medical Professional Liability Insurance</b>		\$10,000.0
<i>FY 2012 Base:</i>	\$1,648,867.7	

**Table 2**  
**FY 2013 Capital Budget Request**  
**(Dollars in Thousands)**

<b>Priority</b>	<b>Project</b>	<b>Urbana</b>	<b>Chicago</b>	<b>Springfield</b>	<b>Total</b>
1	Repair and Renovation	\$ 33,600	\$ 24,000	\$ 2,400	\$ 60,000
2	Advanced Chemical Technology Supplemental		46,000		46,000
3	Natural History Building	50,000			50,000
4	Pharmacy Renovation & Addition		82,000		82,000
5	Main/Undergrad Library Redevelopment	50,000		51,000	101,000
6	Hospital Modernization Phase I		41,000		41,000
7	Disability Research, Res. & Educ. Svc. Bldg.	50,000			50,000
8	Science and Engineering Lab Renovation Phase I		38,000		38,000
9	Burrill Hall Remodeling	27,000			27,000
10	Stevenson Hall Classroom Building Modernization		21,000		21,000
		<u>\$ 210,600</u>	<u>\$ 252,000</u>	<u>\$ 53,400</u>	<u>\$ 516,000</u>